



**Director of  
Central  
Intelligence**

**Top Secret**



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**27 March 1982**

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CENTRAL AMERICA:

*//Almost all major cities in central and eastern El Salvador are expected to be targets of insurgent attacks on the eve of Sunday's elections, but the government will likely be able to provide adequate security at most polling places. In Nicaragua the Sandinistas are stepping up pressure against the Catholic Church*

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*//Meanwhile, the government is sending reinforcements to contain a guerrilla offensive in Morazan Department. The insurgents reportedly have publicly declared the region a "liberated" zone.//*

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Pressure Against the Nicaraguan Church

The longstanding tension between the Sandinistas and the local Church hierarchy intensified last month when Nicaragua's Catholic bishops issued their strongest public

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attack yet on the regime's human rights record in a letter denouncing Sandinista actions against the Miskito Indians. The government strongly rejected the bishops' accusations and implied that Church leaders are allied with the enemies of the revolution. There has been no direct contact between the bishops and the Sandinistas since then.

In an effort to undercut the local hierarchy, the regime has called on the Vatican to send a special mission to Managua. Although the Vatican has refused to comply, it reportedly has agreed to receive a Nicaraguan Government delegation.

Meanwhile, the regime is increasing pressure by closing a Church-owned radio station and taking steps to control the curriculum in the country's large Catholic school system. It reportedly is also imposing Cuban textbooks on some of the schools.

Comment: Relations between the Sandinistas and Church leaders probably will deteriorate further as the bishops--particularly Managua's Archbishop Obando y Bravo--continue to resist the regime's authoritarian measures. The Vatican--fearful that it will be faced eventually, as in Cuba, with the expulsion of priests and even bishops--will try to avoid an open break by assuaging the Sandinistas. Last year, the Vatican--under Sandinista pressure--reversed the Nicaraguan bishops' order that all priests resign from the government.

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**GUATEMALA: Officers Disgruntled**

*The growing disenchantment of junior officers and some prominent civilians with junta President Rios Montt may lead to further political changes in Guatemala.* [redacted]

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//The junior officers who overthrew President Lucas on Tuesday are increasingly unhappy with the direction taken by the new junta. They resent the retention by Rios Montt of numerous corrupt officials and his appointment of relatives and friends to high positions. They also argue against allowing the ex-President and his brother, former Army Chief of Staff Benedicto Lucas, to remain in Guatemala, because the pair might attempt to organize a countercoup.// [redacted]

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//Since accepting the junta presidency, Rios Montt has moved quickly to reestablish the principle of military hierarchy and is rewarding senior military men who did not participate in the coup. He overruled an announcement that two junior officers would serve on the junta and instead named six of them as "advisers." Moreover, his public speeches have been heavily moralistic and have not addressed any of the young officers' major concerns.// [redacted]

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//Many young officers reportedly have been discussing their grievances with Leonel Sisniega, rightwing leader Sandoval's vice presidential running mate and a key figure in the coup plotting. Sandoval's National Liberation Movement is said to retain considerable influence among the junior officers.// [redacted]

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Rios Montt continues to ignore Sisniega but on Wednesday consulted with Sandoval--with so far unknown results. Their meeting, however, did not deter the National Liberation Movement from subsequently joining with the Christian Democrats in calling for a return to democratic government beginning with elections this fall for a constituent assembly. [redacted]

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Rios Montt's eccentric behavior since taking power is also offending potential civilian allies. A newly appointed member of his cabinet told US officials on Thursday that the General must be ousted before he makes the junta a "laughing stock" abroad. [REDACTED]

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//Meanwhile, leftist guerrillas have been slow to try to take advantage of the postcoup shakeup in the armed forces. Only a few terrorist incidents have occurred this week.// [REDACTED]

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Comment: Unless Rios Montt responds to their concerns, the junior officers will become increasingly inclined to demand changes in the junta and the command structure. If he and the other senior military men prove intransigent, their juniors will likely give them the same treatment meted out to the Lucas brothers. [REDACTED]

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Political uncertainties and confusion within the military have given the insurgents a chance to regroup, and they are likely to test the new regime soon. The removal of Benedicto Lucas--whose shift in counterinsurgency tactics last year boosted military morale and put the guerrillas on the defensive--may hamper the government's campaign against the guerrillas. [REDACTED]

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USSR: Russian Nationalism

*President Brezhnev gave an unusually vigorous endorsement in his speech on Wednesday in Uzbekistan to policies beneficial to the Russian Republic and to Russians living in other Soviet republics.* [redacted]

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Brezhnev advocated the migration of workers from Central Asia to areas of the Russian Republic suffering labor shortages. He criticized the notion that valuable specialists should remain in their own republics when other regions have a greater need for them, and he emphasized even more strongly than in the past that projects throughout the Russian Republic have priority over those in other regions. Brezhnev also called for greater representation of ethnic Russians in party and state institutions in non-Russian republics, where Russians are becoming a smaller minority. [redacted]

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Comment: Brezhnev's speech seems to be a part of a trend toward a more open identification of the regime with Russian nationalist concerns. This was apparent since the Soviet party congress last year, when Brezhnev first broached the themes he stressed on Wednesday. Since then, these ideas have been developed by political figures at several levels and have been incorporated in last month's Central Committee resolution marking the anniversary of the formation of the USSR. [redacted]

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The attention to Russian interests may be prompted in part by the need to develop more support among a population increasingly dissatisfied over the lack of consumer goods. The new emphasis may also reflect concern over the faster growth of the country's non-Slavic population. Brezhnev's remarks also seem designed to keep local nationalist aspirations in check. [redacted]

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During a period of succession maneuvering and stronger regional competition for economic resources, the nationality issue may be used in leadership politicking. According to one rumor, Party Secretary Chernenko is opposing extreme expressions of Russian nationalism in literature. [redacted]

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IRAN-IRAQ: Fighting Slows

*//Fighting appears to be tapering off following territorial gains by Iran earlier this week.//*

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there has been no major advance by either side since Wednesday.

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Claims by the two sides to have inflicted a combined total of 30,000 casualties are unconfirmed.

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Comment: //Although Iran did not eliminate the Iraqi salient west of Dezful, it achieved major gains that will make continued Iraqi defense of the area difficult. The Iraqis might decide to pull back to more defensible lines to the west.//

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//The large losses of personnel will depress Iraqi civilian and military morale when they become known and likely will lead to increased questioning of President Saddam Hussein's leadership among the military. Iranian propaganda already has begun emphasizing these themes.

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VIETNAM: Party Congress

*The main issue in dispute at the Fifth Party Congress opening today will be the economic plan, which calls for relaxation of controls and creation of market incentives to increase production.*

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Inept management and inappropriate policies have prevented agricultural production from keeping pace with population growth, which has made Vietnam more dependent on Soviet aid, including 750,000 tons of grain last year. Industrial production dropped 15 percent from 1978 to 1980.

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Vietnam's foreign debt totals about \$3 billion, and its annual trade deficit is now running at between \$600-800 million. The occupation of Kampuchea has cost Vietnam international sympathy and most Western and Japanese aid.

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Party leader Le Duan is behind the proposed changes, while more doctrinaire party members are adamantly opposed. The Soviets are backing him, hoping that reforms will stimulate the economy and ease the aid burden on the USSR.

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Comment: Some reform is needed, and Le Duan is likely to have his way on economic issues as well as on anticipated leadership changes. This will mean even closer ties to Moscow. Although the Soviet military presence in Vietnam is causing some friction, Soviet forces are likely to make greater use of Vietnamese bases.

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In contrast to the contention over domestic issues, the leadership is as united as ever in its commitment to the occupation of Kampuchea. Vietnamese leaders can find encouragement in recent military successes along the Thai border and in the continued inability of the Kampuchean resistance groups to get together.

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UK: Jenkins's Byelection Victory

*//The victory yesterday by Roy Jenkins in the Glasgow byelection will revive prospects for the Social Democratic - Liberal alliance, although potentially serious differences are likely to surface later as the general election draws closer.//*

//Jenkins won about a third of the vote, almost exactly reversing a 2,000-vote Tory majority in the 1979 general election. The Social Democrats have now won two of their 29 Parliamentary seats in byelections, while all but one of the rest have come by way of defections from the Labor Party. The ruling Conservatives dropped to 332 seats; Labor has 239, and the Liberals, 12.//

Comment: //Jenkins's victory at least temporarily will breathe new life into the Social Democrats' sagging fortunes and should make him the clear favorite to be elected party leader at next fall's annual conference. He almost certainly will also become the party's chief Parliamentary spokesman.//

//The win also should end for now the bickering between Social Democrats and their Liberal allies that had become increasingly prevalent before the byelection. Leaders from both parties will now make a concerted effort to coordinate policy and find an equitable arrangement to divide Parliamentary seats for future elections.//

//As part of any accommodation, Jenkins is likely to be selected to lead the alliance into the general election, since he is the only Social Democrat acceptable in that role to Liberal Party leader Steel. Although the prospect of forming the next government almost certainly will hold the alliance together, serious strains could surface again that could sap electoral support.//

//Although both the Conservative and Labor parties were disappointed, the outcome is unlikely to have a major impact on either one. Tory backbenchers will be nervous for a while, but the Thatcher government is in no danger and will continue to bank on economic recovery, spurred on by occasional reflationary measures. Labor will continue to hope it can win a general election despite continuous internal warfare and a steady drift to the left.//

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POLAND: Parliament Approves Bills

The Polish parliament yesterday routinely approved legislation that postponed elections for local people's councils until 1984, established an advisory socioeconomic council, and set up a tribunal that eventually will bring former party leader Gierek to trial. The parliament, however, did not amend the constitution to include a provision for a state of emergency.

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Comment: Solidarity's demands for free elections to the people's councils was one of the political demands that brought on martial law, and the regime apparently does not want to face elections until it can restore control. Solidarity also had demanded an independent council to act as a check on the government, but the new council will have little room for maneuver. Passage of a constitutional amendment creating the legal basis for a state of emergency would have allowed Premier Jaruzelski to end martial law while keeping much of the repressive apparatus in place. In failing to propose such a bill, Poland's military leaders demonstrated their intention to retain political power for some time to come.

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NETHERLANDS: Provincial Election Results

//The Christian Democratic members of Prime Minister van Agt's center-left coalition did well in the nationwide provincial elections last Wednesday, but the Democrats '66 lost some ground. The leftwing Labor Party, which is the most adamant opponent of budget cuts and INF basing, lost heavily, while the opposition Liberals made impressive gains.//

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Comment: //The elections are likely to strengthen van Agt's hand in securing approval for the controversial cuts that have held up completion of the government's current budget. If the Democrats '66 and Labor continue to balk, van Agt may dissolve the government in the hope he can win a majority for a new center-right coalition, but he probably would not have the large majority suggested by the provincial elections and would be under pressure from leftwing Christian Democrats not to move too far to the right. A Christian Democratic - Liberal government probably would enact many of the budget cuts van Agt wants, but would be unlikely to make a firm decision on cruise missile basing, despite the solid support of the Liberals.//

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USSR: Draft Law Revised

Changes adopted at the beginning of the year in the law on Soviet military obligation include limiting the number of students receiving educational deferment, changing military specialist training, and reducing from 10 to five years the maximum length of family-related deferments. Only full-time day students attending institutions approved by the Supreme Soviet, Gosplan, and the Ministry of Defense generally will be eligible to apply for deferments. [REDACTED]

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Comment: To the extent that a larger number of men will enter military service, economic problems will worsen because of a smaller number of workers available for the civilian labor market. The changes in part may reflect the concerns of high-level Soviet officials, who in recent years have expressed growing apprehension about the lack of ideological consciousness of many Soviet young people. [REDACTED]

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GREECE-EC: Tough Bargaining Ahead

Athens has lly requested more EC concessions including protection for Greece's smaller industries and more development funds--the Greeks could receive as much as \$500-750 million this year--for social and economic programs. Despite EC regulations prohibiting direct state aid to farmers, Greece also has stated it intends to subsidize agriculture under its five-year plan.

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Comment: Prime Minister Papandreou is no longer considering withdrawal from the EC, because Greece is dependent on West European aid and trade and has failed thus far to attract substantial Arab investment. He will continue to demand more favorable membership terms, and he may use the EC summit in Brussels next week to remind his West European colleagues again of Greece's special needs. //He is also likely to urge greater European involvement in settling the Cyprus dispute.// Papandreou has little leverage on economic issues, however, and he will find his colleagues preoccupied with more pressing problems,

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## SPECIAL ANALYSIS

### TANZANIA: Nyerere Under Fire

*//The recent demand for President Nyerere's resignation by dissidents who hijacked an Air Tanzania jet underscores the growing willingness of Tanzanians to blame their troubles on Nyerere's damaging socialist policies. The longer the President stalls on his promise to step down and appoint a successor, the more likely the military will be to make a move against him.//*

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The primary source of discontent is the poor state of the economy. Despite Tanzania's status as one of the world's highest per capita aid recipients, the average Tanzanian is no better off now than he was when independence was gained 20 years ago.

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Economic conditions are likely to worsen. Tanzania's staunchest aid donors are having second thoughts about continuing assistance. The IMF, for example, has been at loggerheads with the government for almost 18 months.

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*//Until recently, Nyerere was as widely regarded at home as he has been internationally as one of Africa's most astute philosophers and politicians. Tanzanians, however, no longer believe his claim that rising oil prices and external factors are the root cause of the country's economic difficulties. Many government officials resent Nyerere's preoccupation with foreign policy issues that enhance his international prestige at the expense of more urgent domestic problems.//*

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### Threats Facing Nyerere

*//Nyerere faces a stiff challenge from a group of Zanzibaris who wish to pull the island out of its 18-year-old union with the mainland. They resent Tanzania's*

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leverage over their economic institutions and policies, and they would prefer a more capitalist-oriented economy. Nyerere's unwillingness so far to compromise has hardened their opposition to them.//

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#### Implications of Nyerere's Departure

//Nyerere's political demise would be a diplomatic loss for the West. Although he can be a troublesome critic of the West on a variety of regional and North-South economic issues, he holds far deeper suspicions of the Communist world.//

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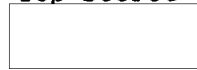
//A coup attempt could lead to a series of violent upheavals and ultimately produce a regime that might repudiate all of Nyerere's policies. Such a regime probably would not follow Nyerere's moderate, nonaligned foreign policy, which maintains a distance from the USSR

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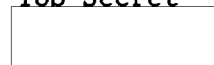
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and works to minimize Moscow's influence in the region.  
A successor government also would be unlikely to play  
the moderating role Nyerere performed for the Frontline  
States during the negotiations for the independence of  
Zimbabwe and more recently on Namibia.//



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